

STATE BOARD OF EQUALIZATION

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Executive Secretary

No. 78/160

September 8, 1978

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 33

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 955 - Amended August 31, 1978

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation.

Under existing property tax law, property which is owned by a disabled veteran, or an unmarried surviving spouse of a disabled veteran, as his or her principal place of residence, is exempt from taxation on that part of assessed valuation of the residence which does not exceed \$10,000.

This bill would increase the allowable exemption to \$15,000 for otherwise eligible persons whose incomes do not exceed specified amounts.

The bill would also require the Controller to report the amount of claims of local agencies for state reimbursement of property tax revenues lost as a result of this enactment.

This bill would incorporate additional changes in Section 205.5 of the Revenue and Taxation Code proposed by Assembly Bill 2871 and Senate Bill 1656, to be effective only if Assembly Bill 2871 or Senate Bill 1656 and this bill are chaptered, and this bill is chaptered last.

No. 1054 - Amended August 25, 1978

An act to amend Sections 18008, 18211, 18550, 18613, and 19990 of, and to add Sections 18615 and 18615.1 to, the Health and Safety Code, and to amend Section 396 of the Vehicle Code, relating to dwellings.

ASSEMBLY BILLS (Contd.)No. 1054 - (Contd.)

(1) Existing law defines the term "mobilehome" for purposes of the Vehicle Code and provisions of the Health and Safety Code relating to mobile-homes and mobilehome parks. Existing law prohibits any person from using or causing, or permitting to be used for occupancy, any mobilehome from which any axle or wheel hub has been removed and also prohibits permanently attaching a mobilehome with underpinning or foundation to the ground.

This bill would revise the definition of the term "mobilehome" for the purposes of such Health and Safety Code and Vehicle Code provisions, as specified.

This bill would delete the prohibition against using or causing, or permitting to be used for occupancy, any mobilehome from which any axle or wheel hub has been removed, but would prohibit a registered owner or occupant of a mobilehome from removing the axles or wheel hubs from a mobilehome without written authorization from the legal owner. The bill would delete the prohibition against permanently attaching a mobilehome with underpinning or foundation to the ground when the mobilehome is located outside of a mobilehome park and, instead, prohibit occupancy of a mobilehome manufactured on or after June 15, 1976, which is permanently affixed to a foundation system which violates specified statutory provisions and regulations of the Commission of Housing and Community Development. It would also prohibit the enforcement agency from issuing a building permit to permanently affix a mobilehome to a foundation system unless written consent is provided by the legal owner, as specified. The bill would require the commission to adopt regulations for all installations of mobilehomes, including installations permanently affixing mobilehomes to foundation systems.

(2) Current law prohibits occupancy of any mobilehome which does not conform to the registration requirements of the Vehicle Code. This bill would require the Department of Motor Vehicles to adopt regulations providing for the cancellation of registration of a mobilehome which is permanently affixed to a foundation system, as specified.

This bill would also prohibit occupancy of any mobilehome which does not have the space directly beneath it kept clean, as specified.

(3) Under existing provisions of the California Factory-Built Housing Law, the Commission of Housing and Community Development is required to adopt regulations for factory-built housing which imposes requirements reasonably consistent with specified uniform codes. Factory-built housing is defined by existing law to exclude mobilehomes.

This bill would specify that the construction and safety standards of a mobile home, as defined by federal law, manufactured in compliance with the federal mobile home construction and safety standards adopted pursuant to the National Mobile Home Construction and Safety Standards Act of 1974 would be deemed equivalent to the California Factory-Built Housing Law.

(4) The above provisions of the bill would become operative July 1, 1979.

No. 2411 - Enrolled August 28, 1978

An act to amend Sections 29373.1 and 29375.1 of the Government Code, to amend Sections 531.6, 1651, 2610.5, 2611.4, 2821, and 3101 of, and to add Sections 3104.5 and 4986.8 to, the Revenue and Taxation Code, relating to fiscal procedures.

ASSEMBLY BILLS (Contd.)No. 2411 - (Contd.)

Existing law provides for the establishment of an overage fund in county treasuries, authorizes county officers to deposit in such fund amounts paid to such officers which exceed, by \$1 or less, the amount due the county for any account, and authorize county officers to use such fund to increase the amount tendered to any county officer so as to equal the amount due the county, for any account when a difference in an amount of \$1 or less exists.

This bill would increase the maximum amounts which county officers may either use or deposit in such fund from \$1 to \$5.

Under existing law, any county department, officer or employee may refrain from collecting any tax assessment fee, penalty or cost owing to the county where the amount to be collected is \$1 or less.

This bill would authorize such governmental entities to refrain from such collection where the amount to be collected is \$5 or less.

If a homeowners' property tax exemption has been incorrectly allowed, existing law authorizes an escape assessment in the amount of such exemption.

This bill would specifically provide for an escape assessment if the property subject to such escape assessment has been transferred or conveyed to a bona fide purchaser for value or to a bona fide encumbrancer.

Existing law requires the county auditor, upon completion of certain duties, to transmit the unsecured property tax roll to the assessor, or to the tax collector, if the duty of making unsecured property tax collections has been transferred to such tax collector.

This bill would eliminate the alternative transfer of such roll to the assessor and would require the county auditor to transmit such roll to the tax collector.

Existing law mandates that the tax collector of every county shall mail a county tax bill or copy thereof to each assessee or fee owner of property on the secured roll each year.

This bill would instead require that a tax bill or copy thereof be sent for all property on the secured roll.

Under existing law, any person filing an affidavit of interest may apply to the tax collector to have any parcel separately valued on the current property tax roll for purposes of paying taxes and the tax collector must notify the local planning commission of the jurisdiction in which the property is situated of all applications for separate valuation.

Existing law establishes procedures for entry of summary judgment for certain delinquent taxes on property on the unsecured property tax roll and provides for interest and certain penalties on such taxes subject to such summary judgment procedure.

This bill would also authorize the imposition of a penalty on such delinquent taxes of any amount equal to any bond premium posted or other costs to enforce such summary judgment.

Existing law provides for the discharge of accountability of any county department, officer charged with the collection of taxes, interest penalties, fees or money owing the county for any reason if the amount is so small as not to justify the cost of collection.

This bill would authorize the auditor to cancel certain small tax assessments if the amount is so small as not to justify the cost of collection.

ASSEMBLY BILLS (Contd.)No. 2411 - (Contd.)

This bill would authorize the auditor to cancel certain small tax assessments if the amount is so small as not to justify the cost of collection.

This bill would make additional changes to Section 2610.5 of the Revenue and Taxation Code which would become operative only if Assembly Bill No. 2085 and this bill are both chaptered.

No. 2871 - Amended August 28, 1978

An act to amend Section 205.5 of the Revenue and Taxation Code, relating to taxation.

Existing law exempts a portion of the residence of a veteran from taxation if the veteran, because of injury incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled and extends the exemption to unmarried surviving spouses of such veterans.

This bill would make that exemption also applicable to veterans who are disabled because of disease incurred in military service.

The bill would also require the Controller to report the amount of claims of local agencies for state reimbursement of property tax revenues lost as a result of this enactment and would provide that no reimbursement shall be made to local agencies pursuant to Section 2231 of the Revenue and Taxation Code for a specified reason.

This bill would incorporate additional changes in Section 205.5 of the Revenue and Taxation Code proposed by Assembly Bill No. 955 and Senate Bill No. 1656 to be effective only if Assembly Bill No. 955 or Senate Bill 1656 and this bill are chaptered and become effective on or before January 1, 1979, and this bill is chaptered last.

No. 2955 - Amended August 25, 1978

An act to amend Sections 41760.5, 42238, and 84730.5 of the Education Code, to amend Sections 27423 and 51117 of the Government Code, and to amend Sections 434.5, 38202, 38303, 38904, 38905, and 38906 of the Revenue and Taxation Code, relating to timber taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Existing law provides for the special assessment of timberlands for purposes of property taxation and imposes a yield tax on timber.

This bill would revise the method and procedures for the assessment of timberlands, would prescribe community college districts and school districts apportionments respecting timber yield taxes and would permit specified allocations from the State Timber Tax Reserve Fund.

The bill would take effect immediately as an urgency statute.

No. 3669 - Amended August 29, 1978

An act to amend Section 5141 of, and to add Sections 538 and 5152 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law requires local property tax assessors to assess taxable property pursuant to constitutional and statutory law.

This bill would require an assessor who believes a constitutional provision or statute to be invalid, and as a result thereof, concludes that

ASSEMBLY BILLS (Contd.)No. 3669 - (Contd.)

property should be assessed in a manner contrary to such provision, or the assessor proposes to adopt an interpretation of such provision that would result in a denial of a property tax exemption to at least 5 assessees in that county, to bring an action for declaratory relief against the State Board of Equalization.

This bill would take effect immediately as an urgency statute.

SENATE BILLSNo. 295 - Amended August 31, 1978

An act to amend Section 1260 of the Education Code, and to add Section 26914 to the Government Code, relating to county educational agencies, and declaring the urgency thereof, to take effect immediately.

(1) Proposition 13 on the ballot for the Primary Election held on June 6, 1978, added Article XIII A to the Constitution to place various limitations on the taxing power of state and local governments. Chapter 292 and Chapter 332 of the Statutes of 1978 were enacted as urgency legislation to implement such proposition and, among other things, this legislation revised the method of financing the public school system.

This bill would make various changes in the provisions of these chapters relating to the distribution of state funds to the county offices of education and to the apportionment of specified property tax revenues during fiscal year 1978-79 as between the county and the county superintendent of schools where the latter became fiscally independent on or after June 30, 1977.

(2) Under existing law, the county superintendent of schools, subject to the approval of the county board of education, is authorized to subscribe for membership in any society, association, or organization which has for its primary purpose the promotion and advancement of education.

This bill would authorize such subscription in an entity which has such a purpose, whether it is a primary purpose or not.

This bill would also authorize the county superintendent of schools, subject to the approval of the county board of education, to provide specified services for any school or community college district governing board association in the territory under the jurisdiction of the county superintendent of schools.

(3) This bill would take effect immediately as an urgency statute.

No. 660 - Amended August 28, 1978

An act to add 16280.1 to the Government Code and to add Section 1440.5 to the Health and Safety Code, relating to health care services, and declaring the urgency thereof, to take effect immediately.

Existing law limits salary increases for employees of local agencies, including counties, during fiscal year 1978-1979.

This bill would allow a board of supervisors to adjust salaries of county employees as necessary to recruit or retain licensed or certified personnel in local health facilities pursuant to specified conditions.

Existing law also provides for the maintenance of county health facilities.

SENATE BILLS (Contd.)No. 660 - (Contd.)

This bill would specify the intent of the Legislature to authorize salary adjustments in order to maintain essential health services.

This bill provides that neither appropriation is made nor obligation created for the reimbursement of any local agency or school district for any costs incurred by it pursuant to the act.

The bill would take effect immediately as an urgency statute.

No. 1490 - Amended August 29, 1978

An act to amend Sections 2206.5, 2231, 2236, 2241, 2246, 2250, 2253, 2253.2, 2253.5, 2253.8, and 2255 of, to add Sections 2238, and 2255.1 to, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law specifies various procedures relating to claims that may be made to the State Controller for reimbursement to a local entity for costs mandated by the state.

This bill would revise such procedures and would take effect immediately as an urgency statute.

No. 1656 - Amended August 28, 1978

An act to add Section 11 to the Education Code, to amend Sections 29100, 50286, and 51511 of, and to add Sections 16101.5 and 43004.5 to, the Government Code, to amend Section 33328 of, and to add Section 33670.5 to, the Health and Safety Code, to amend Sections 205.5, 218, 273.5, 275, 276, 401, 435, 619, 619.2, 722, 1606, 1637, 2611.5, 2905, 4836.5, 11251, 11401, 20542, and 20543 of, and to add Sections 135, 205.1, and 2260.5 to, the Revenue and Taxation Code, and to add Section 22 to the Welfare and Institutions Code, relating to property taxation.

Under existing law all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require such assessments be at full cash value for the 1981-82 fiscal year and fiscal years thereafter and would require local agencies to adjust their property tax rates so that they will receive no additional revenue by reason of the change in the method of assessment.

The bill would make related and conforming changes.

The bill would also make additional changes in Section 205.5 of the Revenue and Taxation Code, to be operative only if AB 2871 and AB 955 respectively, are chaptered and this bill is chaptered after such other bills.

The bill would also make additional changes in Section 619 of the Revenue and Taxation Code, to be operative only if SB 2241 is chaptered and this bill is chaptered after SB 2241.

The bill would also make additional changes in Section 2054 of the Revenue and Taxation Code, to be operative only if AB 2463 is, chaptered and this bill is chaptered after AB 2463.

The bill would not become operative unless SCA 60 is approved by the voters.

SENATE BILLS (Contd.)

No. 1744 - Enrolled August 28, 1978

An act to add Section 2188.6 to the Revenue and Taxation Code, relating to taxation.

Under existing property tax law, tax liens attach to property on the first day of March preceding the fiscal year for which the taxes are levied. Such lien would attach to an entire condominium project prior to the individual units being initially sold.

This bill would permit the initial seller or buyer of an individual unit in a condominium project to request a separate assessment and tax bill on the unit, in which case the property tax due on the individual unit would constitute a lien solely on such unit, and the property taxes due on other units in the condominium project shall not be a lien on a unit on which there has been such separate assessment.

This bill would provide that notwithstanding Sections 2231 and 2234 of the Revenue and Taxation Code, there shall be no reimbursement nor appropriation made by this bill for a specified reason.

No. 2241 - Amended August 28, 1978

An act to amend Section 619 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law requires county assessors to notify certain property tax assessees of increases in the assessed value of such property as shown on the property tax roll.

This bill would specify that such requirement shall not apply to annual increases in the valuation of property which reflect the inflation rate, not to exceed 2%, pursuant to the authority of the provisions of the California Constitution authorizing the annual increase in the valuation of property for tax limitation purposes.

The bill would also make additional changes in Section 619, of the Revenue and Taxation Code, proposed by SB 1656, to be operative on the operative date of SB 1656, only if SB 1656 and this bill are both chaptered and this bill is chaptered after SB 1656.

This bill would take effect immediately as an urgency statute.

SIGNED BY THE GOVERNOR

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 1751	544	August 24, 1978	Immediately

An act to amend Sections 5.3, 11, 11.5, 12, 14, 15, 17, 21, 25, 26, and 35 of, to add Sections 13.1 and 17.1 to, to repeal Sections 16 and 24 of, and to repeal and add Sections 13 and 27 of, the Santa Barbara County Flood Control and Water Conservation District Act (Chapter 1057 of the Statutes of 1955), relating to the Santa Barbara County Flood Control and Water Conservation District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

(1) Under the Santa Barbara County Flood Control and Water Conservation District Act, the Santa Barbara County Flood Control and Water Conservation District is authorized to issue bonds to finance any work or improvements for a zone upon a 2/3 vote of approval in the zone.

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SIGNED BY THE GOVERNOR (Contd.)SB 1751 - (Contd.)

This bill would authorize the district to issue bonds to finance work or improvement for the benefit of the entire district upon a 2/3 vote of approval, except that only a majority vote of approval is required if the work on improvement is for the utilization of a water supply made available from the State Water Resources Development System pursuant to a contract.

(2) Under the act, the amount of any bonds issued to finance any work or improvement in any zone may not exceed 5% of the taxable property in the zone.

The bill would increase the allowable percentage to 8, which would also be the allowable percentage for district bonds for a districtwide work or improvement.

(3) Under the act, bond principal and interest payments, at the discretion of the district board, are required to be paid annually or semiannually.

The bill would delete this requirement.

(4) Under the act, bonds issued are required to mature within 2 to 40 years.

The bill would delete this requirement.

(5) Under the act, the denomination of a bond may not be less than \$100 or greater than \$1,000.

The bill would delete this limitation.

(6) Under the act, the bonds are required to be sold at their par value.

The bill would authorize the bonds to be sold at 95% of their par value.

(7) Under the act, the district is not authorized to issue negotiable bond anticipatory notes.

The bill would authorize the district to do so.

(8) Under the act, the district board is prohibited from calling or ordering another special bond election in any zone which rejected a bond proposition for the same purpose less than 6 months previously.

The bill would prohibit the district from holding the election within 6 months after rejection of the bond proposition.

(9) Under existing law, funds are continuously appropriated from the State General Fund to compensate local governmental entities for property tax revenues lost by reason of the homeowners' property tax exemption.

The bill, by increasing the amount of bonds that may be issued, could increase the tax rate imposed on homes within the district and this would increase the amount of that exemption which, in turn, would have the effect of increasing the appropriation.

(10) The bill would also make technical nonsubstantive changes.

(11) The bill would take effect immediately as an urgency statute.

<u>Bill Number</u>	<u>Resolution Chapter</u>	<u>Date Filed</u>
ACA 82	97	August 28, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 4.5 to Article XIII thereof, relating to property taxation.

The existing Constitution exempts, or authorizes an exemption for, various types of property for purposes of property taxation, but some possessory

September 8, 1978

SIGNED BY THE GOVERNOR (Contd.)ACA 82 - (Contd.)

interests in tax-exempt real property held by private parties are subject to property taxation.

This measure would authorize the Legislature to provide with respect to the assessment and taxation of possessory interests in tax-exempt real property, used for the berthing of commercial or pleasure vessels, that any such assessments and taxes be prorated for the period of time the taxpayer has the right to possess such tax-exempt property.

<u>Bill Number</u>	<u>Resolution Chapter</u>	<u>Date Filed</u>
SCA 60	85	August 24, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 3.5 to Article XIII, relating to taxation.

Existing constitutional law provides that all property is subject to property taxation, unless an exemption is otherwise provided in the Constitution. Moreover, with minor exceptions, all property is required to be assessed for property taxation purposes at a uniform percentage of its fair market value. The Legislature has established this ratio at 25%.

The \$1,000 exemption from property taxation, provided for in the Constitution, for veterans, unmarried spouses of deceased veterans, and parents of deceased veterans, and the dollar limitations thereon, have been interpreted by the California courts to be based on the assessed value of taxable property and the full value of other property.

This measure would require the Legislature to revise these figures to maintain the same proportionate values for the veterans' exemptions and limitations thereon in any year in which the assessment ratio is changed.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
AB 2463	576	August 31, 1978	Immediately

An act to amend Sections 16190, 16191, 16192, and 27321 of, and to add Section 16181.5 to, the Government Code, to amend Sections 107, 110.1, 2505, 2514, 2515, 3375, 20503, 20505, 20542, 20583, 20585, 20586, 20605, and 20641.5 of, to add Chapter 3.5 (commencing with Section 20640) to Part 10.5 of Division 2 of, the Revenue and Taxation Code, relating to property tax, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Existing law defines "full cash value" of real property for purposes of Article XIII A of the California Constitution.

This bill would include possessory interests in real property within such definition of full cash value for real property.

Existing law provides that taxable property which is sufficient security for the payment of any taxes levied on such property shall be placed on the secured roll, and all other property shall be placed on the unsecured roll, and provides that, in a county having a population of 4,000,000 or more, taxable possessory interests may, in the discretion of the county board of supervisors, be considered as sufficient security for the payment of taxes levied thereon and may be placed on the secured tax roll.

September 8, 1978

SIGNED BY THE GOVERNOR (Contd.)AB 2463 - (Contd.)

This bill would provide that such provisions shall be operative for the 1978-79 fiscal year, in all counties, regardless of population, in which the maximum property tax rate imposed on property on the unsecured roll exceeds a specified rate.

Under existing law, qualified persons 62 years of age or older who own or rent their homes may claim state funds to reimburse them for a portion of the property taxes paid on their homes, and payment of the property taxes on homes owned by certain persons 62 years of age or older may be postponed.

This bill would permit totally disabled persons, as defined, who own or rent their homes to claim state funds to reimburse them for a portion of the property taxes paid on their homes, and would provide for the postponement of property taxes by possessory interest holders, as defined.

Under existing law funds are continuously appropriated from the General Fund to the Controller to pay certificates on postponed property taxes.

This bill, by enlarging the number of persons who would be able to postpone property taxes, would affect such continuous appropriation.

This bill would take effect immediately as an urgency statute, and would apply to claims for postponement for the 1978-79 fiscal year and thereafter.

This bill would incorporate additional changes in Section 20542 of the Revenue and Taxation Code, proposed by Senate Bill No. 1656, to be effective only if Senate Bill No. 1656 and this bill are both chaptered and become effective on or before January 1, 1979, and this bill is chaptered last.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures